
APPROVED:

DATE:

**Procedure No. 4-01
STAFF ASSIGNMENT AND ADVISEMENT SHEET**

Purpose

To document staff qualifications and independence with regard to the project assignment

Background

- A. The staff assigned to conduct the audit should collectively possess adequate professional proficiency for the tasks required. Auditors are assigned to projects on the basis of availability, complexity of project, and the particular skills and background required to perform the work. Personal impairments, i.e., personal relationships, past management experience, biases, etc., are also taken into consideration. An auditor or consultant will not be assigned where an impairment exists, unless the assignment is unavoidable and a justification is provided. Should an actual or perceived impairment arise during the course of an assignment, the auditor is responsible for advising management immediately.
- B. In using an external consultant performing work for the audit organization, the auditors should provide the consultant with independence requirements and obtain representations from the consultant regarding their independence from the activity or program under audit. If the consultant has an impairment to independence, auditors should not use the work of that consultant.
- C. It is City Auditor Office policy not to provide nonaudit services and the Office recognizes the two overarching principles that (1) audit organizations should not provide audit services that involve performing management functions or making management decisions and (2) audit organizations should not audit their own work or provide nonaudit services in situations where nonaudit services are significant or material to the subject matter of audits. However, in the event that services are requested that potentially could be considered nonaudit services, the City Auditor will direct staff to complete the Personal Impairment Flowchart (Form 4-01-02). Completing the Personal Impairment Flowchart documents the Office's consideration of the nonaudit services and the rationale that providing nonaudit services does not violate the two overarching principles.

**CITY OF SAN JOSE
OFFICE OF THE CITY AUDITOR**

**Procedure No:4-01
Milestone #M-01 and M-02
Effective Date:9-12-05**

Procedure

City Auditor	1. Assign the project to a Supervising Auditor and audit staff.
Supervising Auditor	2. Prepare the assignment sheet (See Form No. 4-01A). The assignment sheet should indicate the project title, audit staff, budget, expected completion date, and special instructions.
Executive Assistant to the City Auditor	3. Provide the assignment number. 4. Provide copies of the approved assignment sheet to the Supervising Auditor and each member of the audit team. 5. File the original approved assignment sheet.
Audit Staff	6. File the assignment sheet in the audit workpapers. 7. Complete the Staff Advisement Sheet (Form No. 4-01-1) 8. In the event nonaudit services are requested, use the Personal Impairment Flowchart (Form 4-01-2) to document the consideration of the nonaudit services and the rationale that providing nonaudit services does not violate the overarching principles above.
Supervising Auditor	9. Review the Staff Advisement Sheet. List the pertinent auditor qualifications. Describe any reported impairment and explain how the impairment can be mitigated.
City Auditor	10. Approve the Staff Advisement Sheet.
Audit Staff	11. File the Staff Advisement Sheet in the audit workpapers. Should an actual or perceived impairment arise during the course of the assignment, advise management immediately.